Department of Health and Human Services
Spring Review on Program Performance -- HCFA On-Line
FY 1997 Budget

Summary/Status of Proposal: HCFA On-Line is HCFA's communications strategy to enhance HCFA's coordination of its communications activities and its capabilities to communicate with its customers (i.e., beneficiaries, providers, States). HCFA On-Line is technology intensive -- incorporating an interactive "800" number telephone system, on-line access through Internet, electronic bulletin boards, Kiosks, cable access programs, audio and video tapes, CD ROM technology, and interactive television programming.

HCFA requested $65 million in FY 1996 and $540 million through FY 2000 for HCFA On-Line. OMB initially provided no funding for the initiative, but, on appeal, the President's FY 1996 Budget provides $10 million for HCFA On-Line. HCFA's congressional justification in support of the President's FY 1996 Budget discusses the $10 million as funding for start-up of HCFA On-Line, signalling that HCFA intends to renew its request for substantial resources for this project.

Agreed Upon Performance Measures for Fiscal Year 1997: HCFA plans to use some of the $10 million provided in FY 1996 to develop performance measures for HCFA On-Line, but will not be able to provide performance measures in its FY 1997 budget request. HCFA may include such measures in its FY 1998 budget request. HCFA may present some "process" measures, i.e., steps that will be taken to develop HCFA On-Line, in its FY 1997 budget request. "Success" will be measured as completion of those steps. For example, HCFA plans on conducting market research in FY 1996, such as focus groups, interviews, and a revised beneficiary survey, and would mark the completion of these items as a measure of success. In FY 1996, HCFA also agrees to develop a "top-ten" list of beneficiary inquiries and to develop an automated system for keeping that list current. Creation of an automated top-ten list would be a measure of success.

Issues To Be Pursued Regarding Performance Measures: HCFA indicates that it is not able to put forward performance measures as part of its FY 1997 budget request. It may include performance measures in its FY 1998 budget request. OMB staff suggest that some outcome performance measures, even if rudimentary, be included in the FY 1997 budget request to establish a benchmark for HCFA's current communications capabilities. For example, HCFA notes that only 4 to 14 percent of beneficiaries are aware of HCFA's Guide to Choosing a Nursing Home. One measure could be the extent to which more beneficiaries are aware of this publication and other similar publications. Measures such as these will reinforce the linkage between performance measures and the budget.

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Key Program: HCFA On-Line

1. Summary of Current Program Resources:

FY 1996 Budget Estimate ($ millions)

Program	FY 1996 BA	Outlays	FY 1997* BA	Outlays
	10	10	105	105

* Subject to adjustment for final budget submission.

Need for the Program

HCFA On-Line flows out of the broad recognition that as the Medicare and Medicaid programs have expanded serious gaps have developed in how HCFA communicates with its over 70 million beneficiaries.

* A 1994 study funded by the Kaiser Family Foundation titled 'Medicare: Holes in the Safety Net' concluded that "The Medicare system is fraught with personal aggravations and larger structural problems that are readily apparent to both beneficiaries and the professionals who deal with the system daily ... Beneficiaries, caretakers, advocates and other elites ... agree that the biggest problems with Medicare have to do with communication and coverage, and they have definite ideas, moreover, how to solve these problems."

* Another report by Health Economics Research on the Information, Counseling and Assistance Grants Program states that Medicare "consumers face a myriad of rules, conditions and exceptions when choosing supplemental insurance and understanding the Medicare program ... and that inadequate information ... reduces a beneficiary's ability to make informed decisions."

* Finally, the Office of Inspector General's 1994 report on Medicare Beneficiary Satisfaction found that a quarter of beneficiaries who had tried to call their carrier for more information had to call three or more times to get through, and that if the carrier had (as most do) and automated voice system, that seventy-three percent had problems with the system that left them with incomplete information.

These gaps have direct consequence not only in the quality of program administration but also in the program's financial stability. There is considerable evidence that if the beneficiary cannot make informed decisions about their health care, this leads to overconsumption of services that undermines program funding. More importantly, however, these gaps in program understanding have serious implications for the health outcomes of beneficiaries.

HCFA On-Line will give needed direction, shape, and impetus to the key components detailed in this submission, several of which evolved independently and were only recently harnessed and reshaped to conform with this evolving communications strategy.

2. Program Goals/Objectives:

The Health Care Financing Administration (HCFA) Strategic Plan (SP) sets the direction of the agency for the next 5 years and serves to guide activities toward the accomplishment of specific goals. HCFA On-line is a multi-year project which, through strategic communications activities, will contribute in some way to achieving all seven goals, and directly to two of these goals:

- Ensure programs and services respond to the health care needs of beneficiaries, and
- Be a leader in health care information resources management.

HCFA On-line is a significant factor in one of the critical areas HCFA has defined for measuring success, i.e., "Meeting Beneficiary Needs."

HCFA On-Line will develop and implement a comprehensive communications strategy designed to enhance interaction between HCFA and its beneficiaries and partners. It is a two part project which focuses on two objectives to meet the stated strategic goals of the agency.

Objective 1: **To better understand and meet the information needs of all Medicare and Medicaid beneficiaries and partners.**

HCFA On-Line will identify, build, and implement innovative service techniques and systems through the following operational activities to identify (listen) to what beneficiaries and partners want and in what formats.

"Listening" activities to help us plan and target our communication enhancements will include:

--developing an automated inquiry tracking system that can produce a "top ten list" of the most common questions/information items requested

--surveys to determine extent and nature of beneficiary and partner information needs, building on the existing Medicare Current Beneficiary Survey to the extent possible

--focus groups, to help fill in the details and sharpen the picture of information needs gained from surveys and the top ten list

--meetings/conferences with beneficiary and partner organizations to improve our understanding of information needs

New information systems to meet the identified needs are expected to include the following, although these plans are subject to modification based on the outcome of listening activities:

-- developing a centralized toll-free telephone service, that would be staffed with persons able to provide answers to general questions about Medicare and Medicaid program rules and procedures, and route calls to Medicare carriers, Peer Review Organizations, State agencies as appropriate. General health promotion and treatment option information would also be available, using prerecorded messages and CD-ROM technology. System would allow customized answers to the extent possible: e.g., prerecorded messages in multiple languages.

-- participatory cable television programs, making use of television production equipment soon to become available at HCFA's new headquarters site, enabling us to reach the broad cross-section of the population accessible only through television with information about changes in the Medicare program, availability of preventive services such as mammography and flu shots, how to select a provider or health plan, and other health topics.

-- utilization of CD-ROM technology to create a core database to support the toll free telephone service as well as other communications links to the public--e.g. public service kiosks, electronic communication through in-line services such as America On-Line and Compuserve.

Objective 2: To ensure that all current and planned communication activities of the Agency and its partners serve our broad communication objectives efficiently and cost-effectively.

HCFA On-Line will coordinate and integrate a wide array of communication activities, including traditional activities such as contractor response to telephone inquiries and communication through the Medicare Handbook and public information pamphlets as well as newer activities such as communication through electronic on line services and bulletin boards, 1-800 telephone hotlines, and television. Launching of the Consumer Information Strategy last year represented a watershed in HCFA's commitment to new forms of communication with its customers--both new types of messages and new media. CIS also necessitated a more complex coordination across the Federal government and with State and local government. Operationalizing the Medicare Transaction System with its centralized claims processing will also bring about major change in the way HCFA communicates with its partners and customers. Finally, the Health Care Quality Improvement Program of the PROs and ESRD Network Organizations is changing the nature of communication between HCFA and its partners and customers by creating interactive partnerships between the various organizations working together to improve the quality of care.

With all these changes in process or planned, HCFA On-Line is essential as an overarching integrating force--to ensure that resources are targeted on identified needs, that duplication of effort is avoided, and that emerging technologies are used efficiently and effectively to speed the flow and information, maximize access, and achieve cost efficiencies. Planned activities to achieve this objective include:

-- developing and enhancing partnerships with contractors, States, and other Federal agencies; including the Public Health Service agencies (public health promotion leaders), the U.S. Postal Service (kiosk leader). Public/private partnerships will also be explored, with commercial insurers, managed care organizations and the like where there are shared interests in clearer communication with Medicare and Medicaid beneficiaries.

-- establishing a clear focal point for communication planning and coordination within HCFA at the Associate Administrator level with adequate staff support to monitor and coordinate the wide range of external communications-related activities in progress or under development in the Office of Financial and Human Resources (e.g., planning for telecommunications capacity), the Health Standards and Quality Bureau (e.g., PRO 1-800 service to the public), the Medicaid Bureau (partnerships with State agencies), the Bureau of Program Operations (carrier communication with providers and public) and the Bureau of Data Management and Strategy (access to public use data files).

3. **Performance indicators/measures that will be used in the FY 1997 budget process to assess progress in achieving the objectives:**

A. Measures Currently Used or Available

Baseline information to support need for the initiative:

For objective 1:

At this time, HCFA can report on beneficiary ratings of usefulness of Medicare program, information, and documents. Specifically:

- ratings of existing Medicare program information developed from responses to a subset of Medicare Current Beneficiary Survey questions

For example, answers to questions from Round 2 (early 1994) indicate that only about 60 percent of Medicare beneficiaries find the Medicare program to be "understandable". Answers to other questions about specific data sources indicate poor penetration of public information materials into the beneficiary population.

- ratings from Office of Inspector General's survey of beneficiaries on customer communication needs

OIG's 1994 survey indicated that while a large majority of Medicare beneficiaries are generally satisfied with the Medicare program, there are some clear areas of need for improved customer service and information dissemination. For example, 26 percent of beneficiaries who had tried to call their carriers had to call three or more times to get through and four percent never reached the carrier at all. There was also a great deal of evidence that key program features were not generally understood--such as limits on amounts physicians can charge, availability of second surgical opinions, and appeal rights.

Other baseline information includes:

- findings from the Kaiser Foundation: Medicare: Holes in the Safety Net, An Analysis and Report of Focus Group Findings
- changes in concerns from Information, Counseling, and Assistance Grants Program participants
- input from Beneficiary Advisory Council

For Objective 2:

HCFA has several limited 1-800 hotlines in place at present; carriers and Peer Review Organizations also have publicized telephone lines to answer public inquiries. SSA also has some limited capacity to address Medicare questions through its field offices and teleservice centers, although its willingness to continue this function indefinitely now that the agency became independent of the Department of Health and Human Services is questionable. There is an obvious need to coordinate these telephone services to reduce beneficiary confusion and eliminate any duplication of service.

The OIG study on beneficiary awareness of publications recommends that HCFA explore partnerships to assist in the distribution of HCFA publications to the public: lists of HCFA publications could be posted in post offices; lists of publications or the publications themselves could be distributed through physician offices and the offices of other providers. Need for partnerships in distribution is underscored by the study's finding that ONLY the Medicare Handbook is widely know among beneficiaries. Other important and useful publications, such the Guide to Choosing a Nursing Home are known only from 4 to 14 percent of beneficiaries.

At a recent major Public Health Service conference on "Partnerships for Networked Health Information for the Public" it was clear that the efforts of PHS to foster public/private partnerships for enhanced use of "high tech" communication of health information (such as telemedicine and use of on-line services for health prevention information) would be strengthened if HCFA became involved in the discussion. For example, HCFA's nursing home quality data is precisely the kind of information that the conference speakers would like to see made available in more accessible form to a broader audience. A true HCFA/PHS collaboration in this area would be much more cost-efficient, productive, and customer friendly than independent efforts by the two agencies.

Near-term performance measures for FY 1996 activities are process-oriented since there will FY 1996 is the first year of the planned initiative. These FY 1996 measures will include:

For Objective 1:

1. Completion of an initial list of the most frequently asked (top ten or twenty) questions or concerns expressed by beneficiaries in their contacts with HCFA and its contractors.

2. Completed development of an internal HCFA process for regular periodic updating of that "top ten list", using automated processes to the extent possible.

3. Design a reconfiguration of HCFA databases allowing more flexible use of program data by partners and the public.

4. Refinements of the Medicare Current Beneficiary Survey instrument completed based on Round 11 "PR" module results.

For Objective 2:

1. Plan completed and initial implementation begun for a streamlined distribution process for outreach materials (including publications, videos, and news releases). "Streamlining" refers to use of such techniques as camera-ready copy, electronic dissemination, dissemination through partners rather than direct mailing, etc.

2. Establish a single plan for beneficiary outreach activities by all HCFA components to ensure coordination, user-friendliness, and non-duplication.

3. Establish memorandum of agreement with Department of HHS Continuous Improvement Team/Customer Service workgroup for a coordinated customer survey.

4. Establish routine meetings with State agency staff members.

B. Planned Measures

For Objective 1:

The Medicare Current Beneficiary Survey Round 11 PR module will provide a great deal of information about how Medicare beneficiaries receive information and what gaps exist in their information sources. By including such questions on future MCBS surveys, we can establish useful performance measures to gauge the effectiveness of On-Line activities in meeting customer information needs. Round 11 questions that would provide useful performance data include:

PR2a. "In the past year, have you needed to find information about new benefits or changes in the Medicare program?"
(Note: Other parallel questions ask about other types of Medicare information, such as information about how to find a doctor who accepts Medicare assignment, information about what Medicare covers)

PR3a. "Where did you find the information?"
(Note: did not find information is an optional response; other possible responses are information sources)

PR4. Did the information you received answer your question(s)?

Another series of questions asks about the usefulness of Medicare publications.
For example:

PR22. Did you find the Medicare Handbook very useful, somewhat useful, or not at all?

We plan to enhance this module of the MCBS to provide additional performance measures for HCFA On-Line.

For Objective 2:

We will also develop specific performance measures to indicate:

How effectively is HCFA utilizing and developing technology to improve communication?

How effectively is HCFA coordinating its communications efforts both internally (among HCFA components) and externally (with other agencies and other partners?

4. Program Performance Information

A. Studies, Reports, Financial Data (budget and accounting) and other Information Concerning Program Performance.

1) Medicare Current Beneficiary Survey: Sources of Information About Medicare Module.

2) Office of the Inspector General Report: Medicare Beneficiary Satisfaction, 1994.

3) Office of the Inspector General Report: Beneficiary Awareness of HCFA Publications.

4) Kaiser Family Foundation: Medicare: Holes in the Safety Net, An Analysis and Report of Focus Group Findings.

5) Medicare Hotline reports.

6) Information, Counseling, and Assistance Grants Program.

7) Beneficiary Advisory Council

B. Key Findings regarding Program Performance

In the budget process we have focused on new activities, however, HCFA has been involved in beneficiary and partner communications since its inception. We have included reports from activities already being accomplished.

HCFA does not have a comprehensive communications strategy. With the size, scope, and complexity of HCFA's programs and the number and diversity of its customers, HCFA must develop the capacity to coordinate and continuously improve its communication infrastructure and respond to customer information needs with flexibility, accuracy, and speed. HCFA On-line is that strategy.

C. Planned Activities to Improve Program Performance Information.

Information gleaned from sources such as the MCBS, IG reports, and Medicare Hotline reports will be used to refine and/or develop more customer-oriented program performance measures. As On-line is implemented, specific measures will be developed after the market research phase and during the development and implementation phase of each stage of the project.

D. Is financial data available that compares all program costs with the objectives and performance measures that have been established? Are there current program costs that are not presently included in budget estimates? Disaggregate by sub-program or project if applicable. What changes in budget or accounting structure would be helpful?

Accounting data are not currently available to track the results of this project. At this time, the project funding is too small and we intend to build the capacity to track information as the project grows.

5. Activities to Improve Program Performance

A. On-going or planned activities to improve program performance, including REGO Phase II Activities

At this time we have limited information available to improve program performance. Our first step will be to implement the market research phase of HCFA On-Line. As the project is implemented we'll do assessments and make adjustments to what has been implemented. In addition, bringing the Medicare Transaction System online will provide additional data on claims processing information that can be made available to our beneficiaries and partners.

If the strategy's objectives are achieved, the ultimate result, in addition to increased customer awareness and satisfaction, will be improved health status for our beneficiaries.

B. Major obstacles to improving performance

1) Size and diversity of HCFA's customer base.

2) Scope and complexity of HCFA programs.

3) Number and diversity of partners involved in administering HCFA programs.

4) Funding available to invest in effective communication systems.

5) Experience of Agency in communication processes and activities.

6) Current skill-mix of Agency staff in communication processes and activities.

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HCFA On-Line
Attachment to Key Program Paper

Prepared by HCFA

HCFA ON-LINE -- FY 1996 BUDGET

AND

CONSUMER INFORMATION STRATEGY

ADDENDUM TO SPRING REVIEW PAPER
HCFA FISCAL YEAR 1997

1. The proposed budget for FY 1996 for HCFA On-Line is as follows:

This budget is tentative and may change when surveys responses and early implementation results become available.

A.	Market Research	**$4,000,000**
	o Surveys	
	-- Face-to-face surveys as part of MCBS	$660,000
	-- Face-to-face outside MCBS	$500,000
	-- Telephone surveys	$600,000
	-- Mail surveys	$340,000
	o Focus groups	$1,100,000
	o Meetings with beneficiary and providers, professional groups, State and Federal agencies, regional and local health organizations	$500,000
	o Development of Outcome Measures	$300,000
B.	Beneficiary and Provider Outreach	**$2,000,000**
	o Development of Automated Top Ten List	$635,000
	o Initial Investigation of Kiosks	$65,000
	o Streamlining Info Distribution System	$250,000
	o Pilot work of Cable TV	$375,000
	o Pilot work for 1 800 telephone number	$375,000
	o Managed Care Information	$300,000

The health care delivery system is changing rapidly, this particularly true for the managed care arena. Beneficiaries are being faced with an ever increasing array of managed care arrangements and need information so that they can make informed health care choices. Coordination of communication activities within the managed care delivery system is needed. But first, we need to listen to the issues, concern, problems, and needs of our beneficiaries. In FY 1996, we propose to gather information from beneficiaries, industry, and providers to identify the data needs of beneficiaries necessary for them to make informed health care decisions.

C. Enhance Federal/State Partnerships **$1,000,000**

- The essential nature of the Medicaid program is one of partnership between the States and the Federal Government. We would use $600,000 to begin a program of personnel exchanges between HCFA and the States. Forty staff members from HCFA Central Office, the HCFA Regional Offices, and the States would exchange work assignments to gain a different perspective. Many of these assignments would directly involve identifying information needs of our partners and customers. The remaining $400,000 would be used under a Basic Ordering Agreement to gather, evaluate, and disseminate information about exemplary practices on topics identified by State Medicaid personnel.

D. Electronic Information Support **$3,000,000**

HCFA has three primary focus areas in support of HCFA On-Line during FY 1996. The first deals with expediting beneficiary, provider, and other customer correspondence; the second with expanding current bulletin board/INTERNET activities; and the last with creating a new database development environment.

Upgrading Customer Inquiry Systems $1,000,000

On-line imaging and the automation of internal workflow systems will help ensure quicker, more complete responses to written, phone, Congressional, and electronic customer inquiries. The system will also categorize and enumerate inquiries to evaluate problems and make improvements in future customer communications.

INTERNET Communications $200,000

HCFA will upgrade its current INTERNET capabilities to improve the quality and timeliness of HCFA Home Page, make the information available to the public in a more efficient manner, and provide expanded INTERNET access to networks and individual computers.

Database Development Environment 1,800,000

HCFA must create a new, flexible database environment prior to establishing the partitioned facility that will provide simple and clear information to HCFA customers.

A current consultant contract will provide its recommendations for the software portion of this facility at the end of this fiscal year. Their findings should lead to the acquisition of a mainframe data repository and a Data Base Management System (DBMS) with ancillary products to administer and enhance its performance. A HCFA's Strategic Plan workgroup will incorporate the decisions related to the DBMS along with additional consultant support and training in new technologies into their study of HCFA'S future technical architecture. Their report, which is scheduled to be complete at the beginning of FY 1996, will influence many specific hardware and software acquisitions to follow.

HCFA's Data Warehouse Initiative will enable HCFA analysts to access data using decision support tools that are resident on their desktop. An initial single LAN-based DBMS, server, and database modeling tool will enable HCFA to test out this client-server technology on a small scale and through modeling integrate Medicare and Medicaid metatdata into the Warehouse's physical database. Based on the results of this pilot and the other technology studies, HCFA will acquire a LAN-based data repository and begin a phased expansion of client-server DBMS tools throughout HCFA Central and regional offices. A consultant providing database administration (DBA) support will help HCFA maintain data validity, consistency, integrity, and accuracy during the transition.

The following list outlines the acquisitions needed for the FY 1996 portion of HOL's Database Design Environment:

Mainframe data repository and DBMS	$450,000
Consultant support and training in new technologies	$50,000
Pilot LAN DBMS, server, and database modeling tool	$100,000
LAN-based data repository	$150,000
Client-server DBMS tools	$800,000
DBA consultant services	$250,000
TOTAL	**$10,000,000**

2. What is the Consumer Information Strategy (CIS)?

The CIS project is a joint effort of DHHS and HCFA to tie on-going prevention initiatives with existing benefits in the Medicare and Medicaid programs. At its core, CIS seeks to guide program beneficiaries to use their benefits in ways that will provide for the best possible health later in life.

Examples of the CIS initiative at work include the 1994-95 flu immunization campaign and the just-started mammography campaign. Examples of proposed CIS initiatives include helping ESRD patients to monitor their dialysis regime, promoting patient choice for men with localized prostate cancer and women with early stage breast cancer, and promoting AZT use for pregnant HIV-positive Medicaid enrollees.

The CIS initiative is run along the lines of traditional public relations efforts, with one key exception, and that is the use of the White House and other high-profile venues and spokespersons. The recently launched mammography campaign began with a very public kickoff led by the First Lady.

In addition to standard campaign materials like press kits, video news releases and public service announcements, CIS materials include state-by-state data based on HCFA analysis of claims patterns, HCFA data charts and other means of localizing the information for greater news interest.

The effectiveness of the CIS campaigns is furthered by the extensive involvement of HCFA's partners, including the providers, the carriers, states, the Public Health Service, and consumer groups.